Copyright Board of Canada

2013-14

Departmental Performance Report

The Honourable James Moore, P.C., M.P.

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Foreword

Departmental Performance Reports are part of the Estimates family of documents. Estimates documents support appropriation acts, which specify the amounts and broad purposes for which funds can be spent by the government. The Estimates document family has three parts.

Part I (Government Expenditure Plan) provides an overview of federal spending.

Part II (Main Estimates) lists the financial resources required by individual departments, agencies and Crown corporations for the upcoming fiscal year.

Part III (Departmental Expenditure Plans) consists of two documents. Reports on Plans and Priorities (RPPs) are expenditure plans for each appropriated department and agency (excluding Crown corporations). They describe departmental priorities, strategic outcomes, programs, expected results and associated resource requirements, covering a three-year period beginning with the year indicated in the title of the report. Departmental Performance Reports (DPRs) are individual department and agency accounts of actual performance, for the most recently completed fiscal year, against the plans, priorities and expected results set out in their respective RPPs. DPRs inform parliamentarians and Canadians of the results achieved by government organizations for Canadians.

Additionally, Supplementary Estimates documents present information on spending requirements that were either not sufficiently developed in time for inclusion in the Main Estimates or were subsequently refined to account for developments in particular programs and services.

The financial information in DPRs is drawn directly from authorities presented in the Main Estimates and the planned spending information in RPPs. The financial information in DPRs is also consistent with information in the Public Accounts of Canada. The Public Accounts of Canada include the Government of Canada Consolidated Statement of Financial Position, the Consolidated Statement of Operations and Accumulated Deficit, the Consolidated Statement of Change in Net Debt, and the Consolidated Statement of Cash Flow, as well as details of financial operations segregated by ministerial portfolio for a given fiscal year. For the DPR, two types of financial information are drawn from the Public Accounts of Canada: authorities available for use by an appropriated organization for the fiscal year, and authorities used for that same fiscal year. The latter corresponds to actual spending as presented in the DPR.

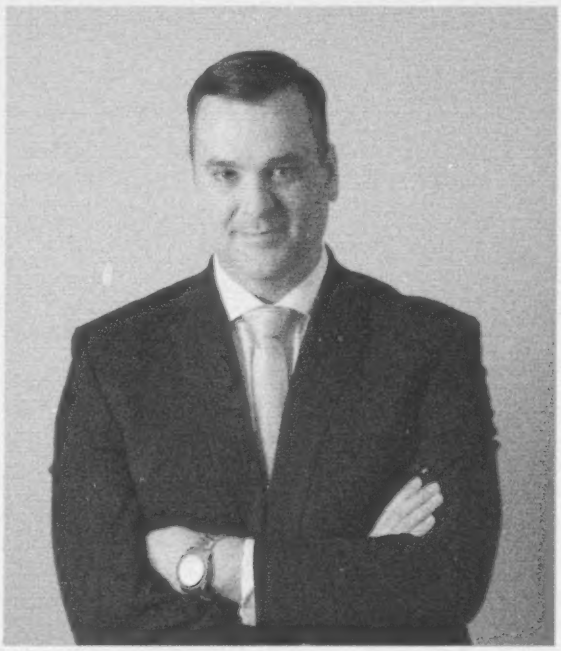
The Treasury Board *Policy on Management, Resources and Results Structures* further strengthens the alignment of the performance information presented in DPRs, other Estimates documents and the Public Accounts of Canada. The policy establishes the Program Alignment Architecture of appropriated organizations as the structure against which financial and non-financial performance information is provided for Estimates and parliamentary reporting. The

same reporting structure applies irrespective of whether the organization is reporting in the Main Estimates, the RPP, the DPR or the Public Accounts of Canada.

A number of changes have been made to DPRs for 2013-14 to better support decisions on appropriations. Where applicable, DPRs now provide financial, human resources and performance information in Section II at the lowest level of the organization's Program Alignment Architecture.

In addition, the DPR's format and terminology have been revised to provide greater clarity, consistency and a strengthened emphasis on Estimates and Public Accounts information. As well, departmental reporting on the Federal Sustainable Development Strategy has been consolidated into a new supplementary information table posted on departmental websites. This new table brings together all of the components of the Departmental Sustainable Development Strategy formerly presented in DPRs and on departmental websites, including reporting on the Greening of Government Operations and Strategic Environmental Assessments. Section III of the report provides a link to the new table on the organization's website. Finally, definitions of terminology are now provided in an appendix.

Minister's Message



I am pleased to report on the Industry Portfolio's key activities in 2013-14.

During this period, facilitating support for business innovation, strengthening private sector investment in job creation, and creating lasting partnerships with the research community were among our most important achievements.

In 2013–14, the Copyright Board of Canada held hearings, issued decisions and certified tariffs related to the broadcasting of musical works, their communication to the public and their reproduction; the reproduction of literary works; the private copying of recorded music; the retransmission of distant radio and television signals; and the use of broadcast programs by educational institutions. The Board also issued decisions and licences for the use of works when the copyright owner could not be located.

Working together, Industry Canada and our portfolio partners will continue to improve competitiveness, cost-efficiencies and job opportunities, bolstering the Canadian economy and furthering our government's commitment to create jobs and growth.

I am pleased to present the 2013-14 Departmental Performance Report for the Copyright Board of Canada.

James Moore
Minister of Industry

Section I: Organizational Expenditure Overview

Organizational Profile

Appropriate Minister: The Honourable James Moore

Institutional Head: Claude Majeau, Vice-Chairman and CEO

Ministerial portfolio: Industry Canada

Enabling Instrument: *Copyright Act*[i]

Year of commencement: 1989

Organizational Context

Raison d'être

The Board is an economic regulatory body empowered to establish, either mandatorily or at the request of an interested party, the royalties to be paid for the use of copyrighted works, when the administration of such copyright is entrusted to a collective-administration society. The Board also has the right to supervise agreements between users and licensing bodies and issues licences when the copyright owner cannot be located.

Responsibilities

The responsibilities of the Copyright Board under the *Copyright Act* (the "*Act*") are to:

- certify tariffs for
  - the public performance and the communication to the public by telecommunication of musical works and sound recordings;
  - the doing of any protected act mentioned in sections 3, 15, 18 and 21 of the *Act*, such as the reproduction of musical works, of sound recordings, of performances and of literary works; and,
  - the retransmission of distant television and radio signals or the reproduction and public performance by educational institutions, of radio or television news or news commentary programs and all other programs, for educational or training purposes.
- set levies for the private copying of recorded musical works;
- set royalties payable by a user to a collective society, when there is disagreement on the royalties or on the related terms and conditions;

- rule on applications for non-exclusive licences to use published works, fixed performances, published sound recordings and fixed communication signals, when the copyright owner cannot be located;

- examine agreements made between a collective society and a user which have been filed with the Board by either party, where the Commissioner of Competition considers that the agreement is contrary to the public interest;

- receive such agreements with collective societies that are filed with it by any party to those agreements within 15 days of their conclusion;

- determine compensation to be paid by a copyright owner to a person to stop her from performing formerly unprotected acts in countries that later join the *Berne Convention*, the *Universal Convention* or the *Agreement establishing the World Trade Organization*; and,

- conduct such studies with respect to the exercise of its powers as requested by the Minister of Industry.

Strategic Outcome and Program Alignment Architecture

1. Strategic Outcome: Fair decision-making to provide proper incentives for the creation and use of copyrighted works

1.1 Program: Copyright Tariff Setting and Issuance of Licences

Internal Services

Organizational Priorities

Priority	Type[1]	Strategic Outcome
Ensure timely and fair processes and decisions	Ongoing	Fair decision making to provide proper incentives for the creation and use of copyrighted works

Summary of Progress

The requirement to have timely decisions is expressly stated in the *Act*: the Board is to certify and publish tariffs "as soon as is practicable". The requirement to have fair processes and decisions is implicit: the *Act* gives the Board the powers, rights and privileges of a superior court; as such, the Board is required to follow the principles of natural justice which, taken together, ensure both fair processes and fair outcomes.

In 2013-14, the Board took several steps which resulted in a reduction of the regulatory burden. For instance, the Board held combined hearings for the tariffs of SOCAN, CSI and SODRAC pertaining to online music services. The Board also held a single hearing process in connection with five different tariffs in relation to commercial radio. This contributed to cost savings for the participants.

In 2012-13, the Board established a Working Committee on its Operations, Procedures and Processes. The Committee, comprised of key stakeholders, examines possible improvements to the Board's rules of practice and procedure, with a view to reducing uncertainty and streamlining the procedures while safeguarding the fairness of the process. In 2013-14, the terms of reference of the Committee were finalized. The Committee identified three areas amenable to significant improvements within a fairly short time frame: the identification and disclosure of issues to be addressed during a tariff proceeding, interrogatories and the confidential treatment of information. By the end of the reporting year, a draft discussion paper dealing with the first two areas was being finalized and a sub-committee was tackling the complex issues raised by the third. Preparation of a document fleshing out possible solutions to the other issues identified in the terms of references had also started.

The Board gathers data on the number of months between the date when a particular tariff proceeding is complete, and the date when the tariff is certified. In the Report of Plans and Priorities (RPP) for 2013-14, a target of 12 months was set, with a complying percentage of 70 per cent.

Seven decisions were rendered by the Board during fiscal year 2013-14, of which three were final decisions, three were interim decisions, and one was a decision on an application to vary. Of these

1. Type is defined as follows: previously committed to – committed to in the first or second fiscal year prior to the subject year of the report; ongoing – committed to at least three fiscal years prior to the subject year of the report; and new – newly committed to in the reporting year of the RPP or DPR. If another type that is specific to the department is introduced, an explanation of its meaning must be provided.

seven decisions, seven (or 100 per cent) were issued within 12 months of completion of the proceedings. Hence, our target was successfully met.

In addition, pursuant to section 77 of the Act, the Board may grant licences that authorize the use of a published work, a fixation of a performer's performance, a published sound recording, or a fixation of a communication signal if the copyright owner cannot be located. The Board's objective with respect to this activity is to issue licences in a timely manner. Therefore, data is also gathered on the number of months between the date when a particular licence file is complete, and the date of issuance of the licence. In the RPP for 2013-14, a target of 45 days was set between the file completion date and the issuance of the licence, to be met in at least 70 per cent of the files.

Nine licences were delivered during fiscal year 2013-14. Eight of the nine licences, or 89 per cent, were issued within 45 days. Our target was thus successfully met.

The Board commissioned a public opinion research firm to survey people who had applied to the Board for a licence when the right owner cannot be located. The survey, in which about 100 applicants were contacted, took place between June and August of 2013. Among the questions measured in the survey was the level of general satisfaction with the process of applying for a licence. The level of satisfaction obtained is 72 per cent. The target of 70 per cent set by the Board was thus successfully met.

Priority	**Type**	**Strategic Outcome**
Advance the analytical framework for decisions and the regulatory processes for tariff-setting	Ongoing	Fair decision-making to provide proper incentives for the creation and use of copyrighted works

Summary of Progress

The Board is required, under the *Act*, to give reasons for its decisions. In keeping with the modern principles of judicial review, the Federal Court of Appeal typically defers to the Board's expert understanding of the facts before it. The Board can only maintain this deference by constantly advancing its analytical frameworks.

As a key tool in addressing the challenges of changing technology and the impact of global events, the Board is encouraging the active participation of its staff and Members in international initiatives, events and conferences. By discussing and comparing experiences across different countries, the Board can gain early warning of significant developments and their likely impacts on the Canadian situation.

Among the international conferences of copyright specialists which the Board Members and staff attended in 2013-14, the following are noteworthy: the Twenty-First Annual Conference of the Fordham Intellectual Property Law Institute (New York, April 2013) and the Annual Conference of the *Association Littéraire et Artistique Internationale* (ALAI) (Cartagena, June 2013). The Board was also represented at numerous similar national meetings in Canada. The rationale for the Board's "screening" activities is to identify and assess industry trends.

Priority	Type	Strategic Outcome
Improve management practices	Ongoing	Fair decision-making to provide proper incentives for the creation and use of copyrighted works

Summary of Progress

The Board needs to improve management practices on a continual basis, as any other Departments.

The Board has adopted its own Value and Ethic Code, consistent with the Public Sector Code. The Board also adopted its appointment policies to bring them in line with the requirements of the *Public Service Employment Act*. The Board has also continued to work and implemented its Performance Measurement Framework.

The Board continued to develop and implement key IM/IT initiatives in support of business development and enhancement activities.

The Board continued to progress on all public service renewal commitments that respond to challenges related to planning, engagement, recruitment, building capacity, and providing supportive human resource management architecture. Accomplishments include a more integrated, inclusive and horizontal approach to planning.

Risk Analysis

Risk	Risk Response Strategy	Link to Program Alignment Architecture
Technology risk	• Systematically monitor relevant journals, other publications and web sites, and to attend industry seminars and conferences. • Risk was identified in the 2013-14 RPP. • No modifications to the risk mitigation strategies.	Fair decision-making to provide proper incentives for the creation and use of copyrighted works.
Reversal risk	• Issue fair and equitable decisions. • Risk was identified in the 2013-14 RPP. • No modifications to the risk mitigation strategies.	Fair decision-making to provide proper incentives for the creation and use of copyrighted works.
HR risk	• Run well-organized job competitions, designed to target a significant share of the pool of potential candidates. • Take measures to encourage a large number of applications. • Create a stimulating working environment conducive to a high retention rate among its employees. • Risk was identified in the 2013-14 RPP. • No modifications to the risk mitigation strategies.	Fair decision-making to provide proper incentives for the creation and use of copyrighted works.

Among the most significant risks which the Board faces in achieving its strategic outcomes is the potentially disruptive impact of new technologies (i.e., in terms of how copyright material is utilized, distributed and monitored). The Board's approach to managing the technology risk is to systematically monitor relevant journals, other publications and web sites, and to attend industry seminars and conferences, as described before in this report.

The decisions the Board makes are constrained in several respects. These constraints come from sources external to the Board: the law, regulations and judicial pronouncements. Others are self-imposed, in the form of guiding principles that can be found in the Board's decisions.

Court decisions also provide a large part of the framework within which the Board operates. Most decisions focus on issues of procedure, or apply the general principles of administrative decision-making to the specific circumstances of the Board. However, the courts have also set out several substantive principles for the Board to follow or that determine the ambit of the Board's mandate or discretion.

A smaller risk, which the Board faces in achieving its strategic outcome, is reversal risk. While decisions of the Board are not appealable, they are subject to judicial review. The ability to schedule a number of cases in a year could be impaired if a case from a previous year were reversed on judicial review. The Board's principal strategy to mitigate this risk is issuing fair and equitable decisions.

There is always a risk of not being able to hire or retain the staff with the necessary technical expertise to achieve required results. To mitigate this risk, the Board runs well-organized job competitions, designed to target a significant share of the pool of potential candidates. The Board also takes measures to encourage a large number of applications. The Board also works at creating a stimulating working environment conducive to a high retention rate among its employees.

Actual Expenditures

Budgetary Financial Resources (dollars)

2013-14 Main Estimates	2013-14 Planned Spending	2013-14 Total Authorities Available for Use	2013-14 Actual Spending (authorities used)	2013-14 Difference (actual minus planned)
3,127,995	3,127,995	3,191,634	2,779,672	348,324

Human Resources (Full-Time Equivalents [FTEs])

2013-14 Planned	2013-14 Actual	2013-14 Difference (actual minus planned)
16	16	0

Budgetary Performance Summary for Strategic Outcome and Program (dollars)

Strategic Outcome Program and Internal Services	2013-14 Main Estimates	Planned Spending			2013-14 Total Authorities Available for Use	Actual Spending (authorities used)		
		2013-14	2014-15	2015-16		2013-14	2012-13	2011-12
Copyright Tariff Setting and Issuance of Licences	2,533,676	2,533,676	2,524,214	2,531,447	2,585,224	2,251,535	2,032,160	2,058,104
Strategic Outcome Sub-Total	2,533,676	2,533,676	2,524,214	2,531,447	2,585,224	2,251,535	2,032,160	2,058,104
Internal Services Sub-total	594,319	594,319	592,099	593,796	606,410	528,137	476,679	482,765
Total	3,127,995	3,127,995	3,116,313	3,125,243	3,191,634	2,779,672	2,508,839	2,540,869

Alignment of Spending With the Whole-of-Government Framework

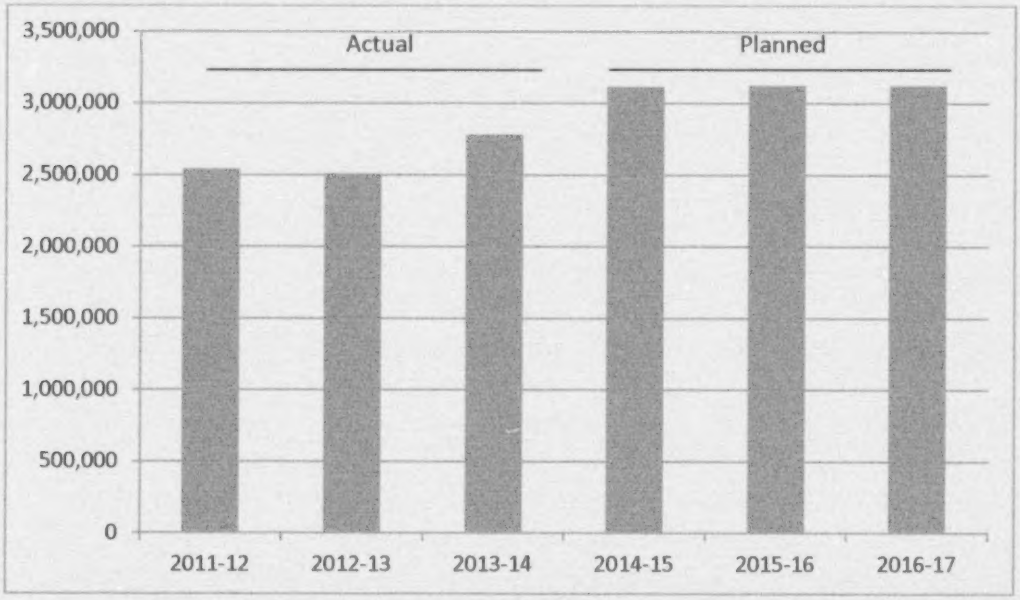
Alignment of 2013-14 Actual Spending with the *Whole-of-Government Framework*[ii] (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2013-14 Actual Spending
Fair decision-making to provide proper incentives for the creation and use of copyrighted works	Copyright Tariff Setting and Issuance of Licences	Economic Affairs	An innovative and knowledge-based economy	2,251,535

Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic Affairs	2,533,676	2,251,535
Social Affairs		
International Affairs		
Government Affairs		

Departmental Spending Trend



Actual spending has increased by about $270,000 in 2013-14. This is a reflection of higher spending on professional services along with additional positions that have been staffed. Additional staffing of vacant positions is also planned for 2014-15.

Estimates by Vote

For information on the Copyright Board of Canada's organizational Votes and statutory expenditures, consult the *Public Accounts of Canada 2014*[iii] on the Public Works and Government Services Canada website.

Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome: *Fair decision-making to provide proper incentives for the creation and uses of copyrighted works.*

The achievement of this outcome relates to innovation, which is a main source of competitive advantage in all areas of economic activity.

The use and re-use of cultural and entertainment content (such as musical and audio-visual works) have become widespread with the advent of new media and online services, new playback and editing technologies and new uses in conventional media. These matters relate to some of society's most complex and contentious issues, including the downloading of content over the Internet using file-sharing software and the proliferation of duplication technologies which have the capability to make digital copies. At the same time, new opportunities for streaming video and audio files, whether interactively, semi-interactively, or passively have emerged. Personal video recorders and other similar devices used in conjunction with television sets have begun to blur lines between the broadcasting sector and the entertainment rental/purchase sector. Personal digital audio recorders have the capacity to store entire libraries of music, literally thousands of songs. It is in this environment that the Board must operate to achieve its strategic outcome.

The Copyright Board of Canada recognizes the need to ensure an effective and efficient copyright regulatory regime in order to attain the maximum productivity in those sectors that create and use copyrighted works. Further, the performance of the Copyright Board will promote a fair and competitive marketplace as well as reasonable opportunities for Canadian firms to export copyright protected goods and services in the music, for content creation and programming areas, as well as for the broadcasting, publishing and entertainment industries.

Program: *Copyright Tariff Setting and Issuance of Licences*

This activity is in direct relation to the Board's mandate, the first part of which is to establish, either mandatorily or at the request of an interested party, the royalties to be paid for the use of copyrighted works, when the administration of such copyright is entrusted to a collective-administration society. This part of the mandate is delivered through the setting of copyright tariffs.

The second part of the Board's mandate is to issue licences when the copyright owner cannot be located.

Budgetary Financial Resources (dollars)

2013-14 Main Estimates	2013-14 Planned Spending	2013-14 Total Authorities Available for Use	2013-14 Actual Spending (authorities used)	2013-14 Difference (actual minus planned)
2,533,676	2,533,676	2,585,224	2,251,535	282,141

Human Resources (Full-Time Equivalents [FTEs])

2013-14 Planned	2013-14 Actual	2013-14 Difference (actual minus planned)
14	14	0

Performance Results

Program: Copyright Tariff Setting and Issuance of Licences			
Expected Results	**Performance Indicators**	**Targets**	**Actual Results**
Fair and Equitable Tariffs and Conditions	1. Percentage of tariff decisions published within 12 months	70% of tariff decisions will be published within one year	100% of tariff decisions were published within one year
	2. Percentage of licences issued within 45 days	70% of licences will be issued within 45 days	89% of licences were issued within 45 days
	3. Level of satisfaction of stakeholders	70% satisfaction rate	Satisfaction rate of 72 per cent

Performance Analysis and Lessons Learned

What follows is a brief description of the activities of the Board for this fiscal year.

TARIFF PROPOSED BY COLLECTIVES SOCIETIES

In March 2014, the following collective societies filed their proposed statements of royalties to be collected in 2015 and beyond:

Access Copyright

- Proposed tariff for the reprographic reproduction of works by employees of provincial and territorial governments, 2015-2018.

ArtistI

- Proposed tariff for the reproduction of performers' performances made by CBC in connection with its over-the-air radio broadcasting, its simulcasting and its webcasting activities, 2015-2017.
- Proposed tariff for the reproduction of performers' performances by commercial radio stations, 2015-2017.

COPIBEC

- Proposed tariff for the reproduction and authorization to reproduce works by universities and persons acting under their authority, 2015-2019.

Canadian Musical Reproduction Rights Agency (CMRRA)

- Proposed tariff for the reproduction of musical works embodied in music videos by online music services, 2015 (Tariff 4).
- Proposed tariff for the reproduction of musical works by commercial television stations. 2015 (Tariff 5).

CMRRA-SODRAC Inc. (CSI)

- Proposed tariff for the reproduction of musical works by commercial radio stations, 2015.
- Proposed tariff for the reproduction of musical works by non-commercial radio stations, 2015.
- Proposed tariff for the reproduction of musical works by online music services in 2015.

Society of Composers, Authors and Music Publishers of Canada (SOCAN)

- Proposed tariffs for the public performance or the communication to the public by telecommunication of musical or dramatico-musical works:

For 2015:

- Tariff 1.A – Commercial Radio
- Tariff 1.B – Non-Commercial Radio
- Tariff 1.C – CBC Radio
- Tariff 2 – Television
- Tariff 6 – Motion Pictures Theatres
- Tariff 9 – Sports Events
- Tariff 15 – Background Music in Establishments not Covered by Tariff no. 16
- Tariff 16 – Background Music Suppliers
- Tariff 17 – Transmission of Pay, Specialty and Other Television Services by Distribution Undertakings
- Tariff 22 – Internet
- Tariff 24 – Ringtones and Ringbacks
- Tariff 25 – Satellite Radio Services
- Tariff for Pay Audio Services

For 2015-2017:

- Tariff 3 – Cabarets, Cafes, Clubs, Cocktail bars, Dining Rooms, Lounge, Restaurants, Road Houses, Taverns and Similar Establishments
- Tariff 4 – Live Performances at Concert Halls, Theatres and Other Places of Entertainment
- Tariff 5 – Exhibitions and Fairs
- Tariff 7 – Skating Rinks
- Tariff 8 – Receptions, Conventions, Assemblies and Fashion Shows
- Tariff 10 – Parks, Parades, Streets and Other Public Areas
- Tariff 11 – Circuses, Ice Shows, Fireworks Displays, Sound and Light Shows and Similar Events; Comedy Shows and Magic Shows
- Tariff 12 – Theme Parks, Ontario Place Corporation and Similar Operations; Paramount Canada's Wonderland and Similar Operations
- Tariff 13 – Public Conveyances
- Tariff 14 – Performance of Individual Work
- Tariff 18 – Recorded Music for Dancing
- Tariff 19 – Fitness Activities and Dance Instruction
- Tariff 20 – Karaoke Bars and Similar Establishments
- Tariff 21 – Recreational Facilities Operated by a Municipality, School, College, University, Agricultural Society or Similar Community Organizations
- Tariff 23 – Hotel and Motel In-Rooms Services

Society for Reproduction Rights of Authors, Composers and Publishers in Canada (SODRAC)

- Proposed tariff for the reproduction of musical works embedded into cinematographic works for the purpose of distribution of copies of the cinematographic works for private use or theatrical exhibition, 2015 (Tariff 5).
- Proposed tariff for the reproduction of musical works embedded in musical audiovisual works for their transmission by a service, 2015 (Tariff 6).
- Proposed tariff for the reproduction of musical works embedded in audiovisual works for their transmission by a service, 2015 (Tariff 7).

Re:Sound

- Proposed tariff for the communication to the public by telecommunication and the performance in public of published sound recordings embodying musical works and performers' performances of such works by commercial radio stations, 2015-2017 (Tariff 1.A).
- Proposed tariff for the communication to the public by telecommunication of published sound recordings embodying musical works and performers' performances of such works by multi-channel subscription satellite radio services, 2015-2018 (Tariff 4).
- Proposed tariff for the communication to the public by telecommunication of published sound recordings embodying musical works and performers' performances of such works in respect of simulcasting, non-interactive webcasting and semi-interactive webcasting, 2015 (Tariff 8).

Canadian Private Copying Collective (CPCC)

In November 2013, the Canadian Private Copying Collective (CPCC) filed its statement of proposed levies as follows:

- Proposed statement of levies to be collected on the sale, in Canada, of blank audio recording media for the years 2015 and 2016.

REQUEST FOR ARBITRATION

The Board did not receive any requests for arbitration in the year 2013-14.

On March 19, 2009, the Board received a request for arbitration between SODRAC and the *Association québécoise de l'industrie du disque, du spectacle et de la vidéo* (ADISQ). On May 23, 2013, SODRAC informed the Board that the parties had reached an agreement. Pursuant to subsection 70.3(1) of the *Act*, the Board shall not proceed with an application when a notice is filed with the Board that an agreement has been reached.

HEARINGS

During the fiscal year, the Board held two hearings. The first concerned the rights used to operate a commercial radio station. It involved the communication to the public by telecommunication and the reproduction of musical works, performers' performances and sound recordings. This hearing took place in October 2013 and March 2014. Participating in the hearing were five collective societies (SOCAN, Re:Sound, CSI, AVLA/SOPROQ and ArtistI) as well as the Canadian Association of Broadcasters.

The second hearing concerned the communication to the public by telecommunication and the reproduction of musical works by online music services. This hearing took place in November 2013 and May 2014. The parties participating in the hearing were SOCAN, Re:Sound, SODRAC, Apple Canada Inc. and Apple Inc., the Canadian Association of Broadcasters, Bell Canada, Rogers Communications, Quebecor Media Inc., TELUS, Videotron G.P., and Pandora Media Inc.

DECISIONS

During the fiscal year 2013-14, the following seven decisions in respect of the indicated collective society and tariff were rendered:

Access Copyright

- On May 29, 2013, the Board certified an interim tariff relating to photocopying in elementary and secondary schools.

Canadian Private Copying Collective (CPCC)

- On August 30, 2013, the Board issued a decision relating to private copying for 2012-2014.

Educational Rights Collective of Canada (ERCC)

- On December 19, 2013, the Board granted an application to vary the tariff.

Multiple Collectives, Retransmission of distant signals

- On November 29, 2013, the Board issued a decision in respect of the retransmission of distant television and radio signals for 2009-2013.
- On December 19, 2013, the Board issued an interim decision in respect of the retransmission of distant television and radio signals for 2014-2018.

Society for Reproduction Rights of Authors, Composers and Publishers in Canada (SODRAC)

- On April 26, 2013, the Board issued its reasons in an interim decision on SODRAC Tariff 5, relating to the reproduction of musical works in cinematographic works.
- On July 5, 2013, the Board issued a decision on a redetermination of SODRAC Tariff 5 relating to the reproduction of musical works in cinematographic works.

UNLOCATABLE COPYRIGHT OWNERS

The Board received 21 licence applications and 9 licences were granted.

AGREEMENTS FILED WITH THE BOARD

177 agreements were filed with the Board pursuant to section 70.5 of the *Act*.

Internal Services

Description

Internal services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are:

Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

Budgetary Financial Resources (dollars)

2013-14 Main Estimates	2013-14 Planned Spending	2013-14 Total Authorities Available for Use	2013-14 Actual Spending (authorities used)	2013-14 Difference (actual minus planned)
594,319	594,319	606,410	528,137	66,182

Human Resources (Full-Time Equivalents [FTEs])

Planned 2013-14	Actual 2013-14	Difference 2013-14
2	2	0

Performance Analysis and Lessons Learned

This activity deals with financial and materiel management policies, systems, processes and standards. In implementing these policies, compliance with Parliament's requirements for financial stewardship and integrity is ensured. This activity also encompasses the responsibility of providing human resource services.

The Board receives timely support from the services mentioned above.

Section III: Supplementary Information

Financial Statements Highlights

Copyright Board of Canada
Condensed Statement of Operations and Departmental Net Financial Position
(Unaudited)
For the Year Ended March 31, 2014
(dollars)

	2013-14 Planned Results	2013-14 Actual	2012-13 Actual	Difference (2013-14 actual minus 2013-14 planned)	Difference (2013-14 actual minus 2012-13 Actual)
Total expenses	3,514,185	2,985,939	2,863,095	(528,246)	122,844
Total revenues	-	-	-	-	-
Net cost of operations before government funding and transfers	3,514,185	2,985,939	2,863,095	(528,246)	122,844
Departmental net financial position	(429,161)	(213,682)	(375,075)	215,479	161,393

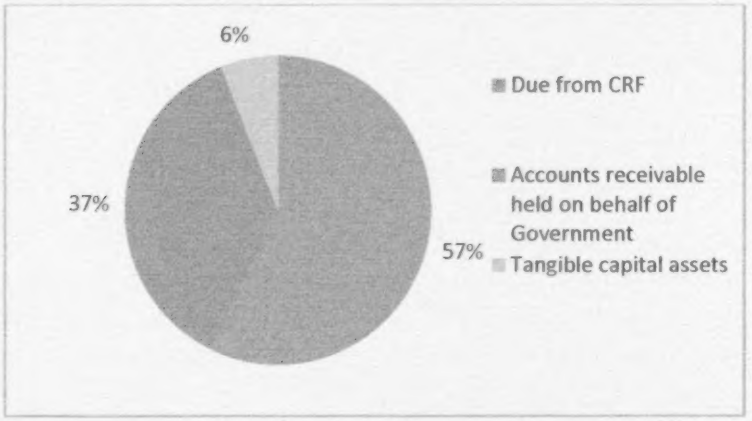
For fiscal year 2013-14, the Board's total actual expenses are $3.0 million, a slight increase since 2012-13. The 2013-14 planned expenditures were at about $3.5 million, some $500,000 above actual expenses for the same period. This is mainly the reflection of positions that are vacant at the Board. Processes are in place to staff some of these positions.

Copyright Board of Canada Condensed Statement of Financial Position (Unaudited) As at March 31, 2014 (dollars)			
	2013-14	**2012-13**	**Difference (2013-14 minus 2012-13)**
Total net liabilities	318,136	455,497	(137,361)
Total net financial assets	94,474	60,463	34,011
Departmental net debt	223,662	395,034	(171,372)
Total non-financial assets	9,980	19,959	(9,979)
Departmental net financial position	**(213,682)**	**(375,075)**	**161,393**

The Board's net financial position for fiscal year 2013-14 is at -$214,000, a decrease of about $160,000 since 2012-13. This is mainly a result of a decrease in the Board's total net liabilities.

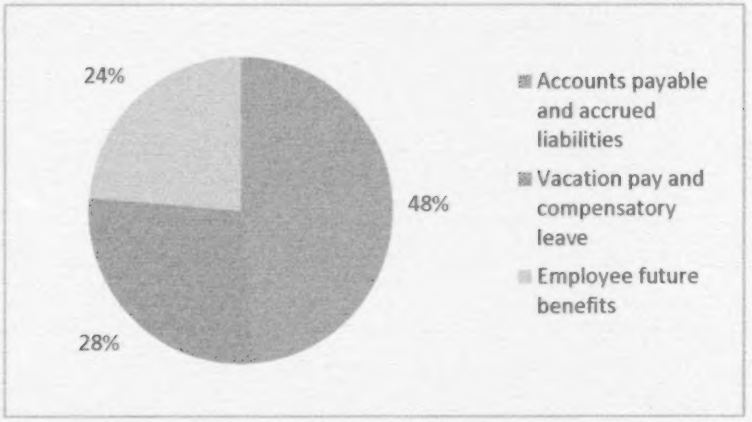
Financial Highlights Graphs

Assets by Type



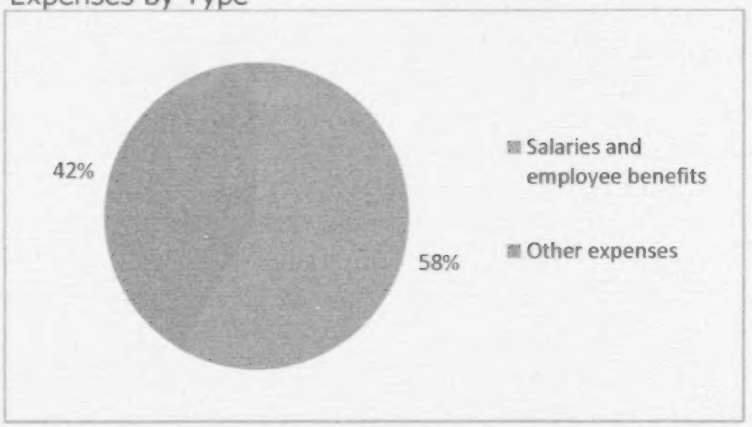
Total assets are valued at about $165,000 in fiscal year 2013-14. This comprises tangible capital assets (6% or $10,000), due from CRF (57% or $94,000) and accounts receivable held on behalf of Government (37% or $60,000).

Liabilities by Type



Total liabilities are valued at about $318,000 for fiscal year 2013-14. This is mostly made up of employee future benefits (24% or $75,000), vacation pay and compensatory leave (28% or $88,000) and accounts payable and accrued liabilities (49% or $155,000).

Expenses by Type



For fiscal year 2013-14, total expenses are $3.0 million. These expenses are made up of salaries and employee benefits (58% or $1.7 million) and operating expenses (42% or $1.2 million). The majority of these latter expenses are required for the Board's unique program activity. The balance is made up of expenses associated with internal services.

Financial Statements

The Board's financial statements can be found on the Board's website at *Financial Statements*[iv].

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations*[v] publication. The tax measures presented in the Tax Expenditures and Evaluations publication are the sole responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

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Appendix: Definitions

appropriation: Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures: Include operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report: Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent: Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes: A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure: A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures: Include net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance: What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

performance indicator: A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting: The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending: For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval

by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plans: The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities: Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program: A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

results: An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

Program Alignment Architecture: A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities: Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

Strategic Outcome: A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program: A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target: A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

whole-of-government framework: Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

[i] Copyright Act, http://laws-lois.justice.gc.ca/eng/acts/C-42/index.html
[ii] Whole-of-government framework, http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx
[iii] Public Accounts of Canada 2012, http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html
[iv] Copyright Board of Canada Financial Statements, http://cb-cda.gc.ca/about-apropos/annual-annuel/2013-2014-financial-statements-etats-financiers-e.html
[v] Tax Expenditures and Evaluations, http://www.fin.gc.ca/purl/taxexp-eng.asp